

**NOTICE OF MEETING
REGULAR MEETING AGENDA**

1. CALL TO ORDER

2. APPROVAL OF THE AGENDA

3. PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

4. RECONSIDERATION

5. APPROVAL OF MINUTES

- A. February 10, 2015 Regular Meeting Minutes **Page 3**

6. VISITORS/PRESENTATIONS

- A. Steven Rouse, Kenai Peninsula Housing Development Initiative Executive Director

**7. STAFF & COUNCIL REPORT/CHAMBER OF COMMERCE & MARINE TRADES ASSOCIATION
REPORT/ COMMITTEE REPORTS/BOROUGH REPORT**

8. PUBLIC HEARING

9. PENDING BUSINESS

- A. Affordable Housing **Page 9**
i. Staff Report on affordable housing follow up from February 10, 2015 meeting

10. NEW BUSINESS

11. INFORMATIONAL ITEMS

- A. City Manager's Report March 9, 2015 **Page 41**

12. COMMENTS OF THE AUDIENCE

13. COMMENTS OF THE CITY STAFF

14. COMMENTS OF THE COUNCILMEMBER *(If one is assigned)*

15. COMMENTS OF THE CHAIR

16. COMMENTS OF THE COMMISSION

**17. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY, APRIL 14, 2015 at
6:00 p.m. in the City Hall Cowles Council Chambers located at 491 E. Pioneer Ave, Homer, Alaska.**

Session 15-02 a Regular Meeting of the Economic Development Advisory Commission was called to order by Chair Barth at 6:00 p.m. on February 10, 2015 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER ARNO, BARTH, BROWN, STANISLAW
Cinda Martin, Marine Trades Association Representative

ABSENT: MARKS, FRIEDLANDER

STAFF: DEPUTY CITY CLERK JACOBSEN
DEPUTY CITY PLANNER ENGEBRETSEN

AGENDA APPROVAL

BROWN/ARNO MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

None

RECONSIDERATION

None

APPROVAL OF MINUTES

A. Regular Meeting Minutes January 13, 2015

ARNO/BROWN MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

A. City Planning Staff – Affordable Housing

Deputy City Planner Engebretsen commented about starter housing for working families. Something that helps in talking about that is to put a dollar amount on it, for example is it people who make the average income in our community? She reported construction is picking up in the community and we have a lot more rentals in the form of small cabins being constructed, however they accommodate singles, couples, or parent and a child, not family housing. She also acknowledged Council's suggestions of incentives for multi-family housing, rentals, and increased Coast Guard housing.

Regarding incentives, easy things for the city to do would be things like waiving fees, such as zoning fees and water/sewer hookup fees. A tax incentive is more difficult to make happen. Property improvements aren't always recognized and assessed within the first year. Cost of land also drives our housing market. Land costs are high and one thing that could be looked at is the special assessment districts. She explained situation with the Hillside Acres subdivision that had a costly water and sewer assessment about 10 years ago. The cost to subdivide an acre lot and pay the assessments on the newly created lots makes it cost prohibitive for the land owner. It's a long term issue.

There was discussion of the process for Special Assessment Districts, water/sewer hookup fees, subdividing, and potential challenges of working with the Borough on tax incentives.

**STAFF & COUNCIL REPORT/CHAMBER OF COMMERCE & MARINE TRADES ASSOCIATION REPORT/
COMMITTEE REPORTS/BOROUGH REPORT**

Mrs. Martin reported that there is a Round Haul, a social get together, on February 27th from 5 to 7 pm at Redden Marine. She also said the Association is working with the City to produce a Marine Trades Promotional Video and an RFP is being prepared for advertisement.

PUBLIC HEARINGS

PENDING BUSINESS

- A. Affordable Housing
 - i. Staff Report on tax exemptions and other affordable housing measures
 - a. Average Sales Price/Days on Market
 - b. Residential Sales Comparison 2013-2014
 - c. Land Sales Comparison 2013-2014
 - d. 10 Year Comparison Report
 - e. Real Estate Market Review
 - f. What can the City do?

The Commission continued to discuss the notion of a tax incentive. They acknowledged that there may be some hurdles in working through it but also feel the benefits make it worth pursuing. Comments of support include:

- There is more savings with a tax incentive over time.
- The savings from offsetting taxes in the first few years could increase buying/building power.
- It incentivizes businesses to come to town resulting in more business, and more jobs.

ECONOMIC DEVELOPMENT ADVISORY COMMISSION
REGULAR MEETING
FEBRUARY 10, 2015

- Tax credits for developers and buyers while interest rates are low.
- Property tax on new improvements wouldn't be a direct loss in revenue because the City isn't receiving the income yet. It would be a delay in the property tax income, but the sales taxes collected by the development and the new home owner would be recognized.
- Waiving property tax for the first year for the purchaser.

Other incentives addressed were:

- Waiving city fees for permitting.
- Educating the public, with the low interest rate the incentive is there now.
- Looking at smaller lots than 10,000 square feet rural residential and 7500 square feet in urban areas could make lots more affordable.
- Waiving hookup fees for two years for water and sewer and other costs incurred to the city for developing property.
- Allowing developers of subdivisions to bring in infrastructure improvements like curb, gutter, and paving after selling a certain number of lots, rather than developing it all off the top.

Other comments included:

- Based on past discussions, the Coast Guard generally prefers regular housing over formal Coast Guard housing as they prefer to be in a regular neighborhood in the community.
- Consider addressing the incentives in phases, starting with waiving some fees for the first two years. It's simple and in City's control and they can see if it made a difference. Then decide whether to move on to a second phase of implementing some tax incentives or something like that.
- Construction loans are more difficult to obtain than a regular mortgage loan. It is questionable whether these temporary incentives would have any impact in qualifying for a loan; lenders have a pretty specific review process that likely won't be deviated from.
- The Senior Center is planning to construct more housing and inviting Keren Kelley to a meeting would give them a chance to ask if the incentives discussed could benefit their project. Also extending another invitation to Steve Rouse with KPHI.

Chair Barth summarized their intent to recommend waiving city fees to develop a property and continue to pursue the options for a tax incentive. Information they would like for their next meeting is:

- They would like to receive feedback from the Borough Assessor's office to find out what is involved in establishing a tax deferment on new development to see if it is a feasible undertaking.
- They would like more information from planning regarding reducing lot sizes in the residential districts.
- Information about the assessments issued to newly created lots through subdivision.

NEW BUSINESS

A. Election of Chair and Vice Chair

BROWN/ARNO MOVED TO NOMINATE MIKE BARTH AS CHAIR AGAIN.

Chari Barth accepted the nomination and no other nominations were proposed.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

BARTH/ARNO NOMINATED PATRICK BROWN AS VICE CHAIR.

Commissioner Brown accepted the nomination and no other nominations were proposed.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

INFORMATIONAL ITEMS

- A. City Manager's Report February 9, 2015
- B. Memo to Council Re: Affordable Housing Tax Incentive
- C. Memo 15-002 and 15-008 Re: EDC Appointments

COMMENTS OF THE AUDIENCE

Larry Slone, city resident, commented that he has a different view of affordable housing than what the commission seems to be taking. They are looking at how contractors can be assisted in developing subdivisions and how the city can benefit from income from the taxes as opposed to assisting groups of individuals who are low income, such as people making \$30,000 to \$40,000 per year. He doesn't think the low income earners are their perspective. From the Commissions perspective, affordable housing in Homer is a non-entity. When considering the regulatory environment, challenges in obtaining funding, the cost of materials and labor, and the cost of property, he thinks there is no such thing as affordable housing in Homer. He thinks incentivizing would only work if you're in competition with another area, say Kachemak City, but that isn't the case. What would bring people here in the first place is jobs and industry. Without the industry, incentivizing is an insignificant effect. He commented that he served on the Planning Commission and reducing the minimum lot size will be like pulling teeth. It's an extremely difficult process including amending master plans and convincing a large segment of the city that it's to their benefit. In the rural residential areas, people want those larger lots with more space. He appreciates their perspective, but doesn't think the core group they are identifying exists out there.

COMMENTS OF CITY STAFF

Deputy City Clerk Jacobsen commented staff will work on getting information gathered for their next meeting.

COMMENTS OF THE COUNCILMEMBER

Councilmember Zak said good job tonight and welcomed Mr. Stanislaw.

COMMENTS OF THE CHAIR

Chair Barth welcomed Mr. Stanislaw and thanked everyone for their work.

COMMENTS OF THE COMMISSION

Commissioner Arno thanked Mr. Slone for his comments and welcomed Mr. Stanislaw.

Commissioner Brown appreciates the Commission confidence in selecting him for Vice Chair. He thanked Mr. Slone for his comments and welcomed Mr. Stanislaw to the group.

Commissioner Stanislaw thanked everyone for their input, he learned a lot tonight.

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:45 p.m. The next regular meeting is scheduled for Tuesday, March 10, 2015 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved:_____



Memorandum

TO: Advisory Economic Development Commission

FROM: Katie Koester, Community and Economic Development Coordinator

DATE: March 5, 2015

SUBJECT: Affordable Housing Follow up from February 10, 2015 Meeting

This memo is in response to questions the Commission proposed at their February 10 meeting. At that meeting the Commission requested:

1. Feedback from the Borough Assessor on what is involved in establishing a tax deferment on new development to see if it is a feasible undertaking

I spoke with the Borough Assessing office. They administer a series of Borough- wide tax exemptions (see the attachment listing available exemptions). They do not (and won't) administer an exemption for just one municipality. The City of Homer would have to establish the parameters of the program, collect applications, verify eligibility and generally run the program. The City would provide a list of parcel numbers that are eligible to the Borough annually. A onetime cost would be charged to the City for having to re-program their software and they would need plenty of lead time to accomplish this. Proving that there is new construction may be difficult – a piece of raw land with a building on it can be inspected fairly easily. However, if there is an addition or remodel to an existing facility they borough cannot only exempt the value of that improvement.

RECOMMENDATION: If the Commission wishes to pursue a tax exemption program, I recommend you develop specific parameters and details to move this item forward.

2. More information from Planning regarding reducing lot sizes in the residential district

I spoke in more detail with City Planner Abboud and Deputy Planner Engebretsen. They both emphasized that there is little demand for small lots in Homer. The smallest lot size you can have in the urban residential district is 6,000 (some lots on Klondike, Grubstake and Bonanza are this small). Town Houses, where a house shares a common wall, are allowed, but there are a number of restrictions on them (such as dimensional requirements) that prove to be impractical for Homer builders. Further work could also be put into defining and encouraging cluster development. See the Land Use Plan section of the Comprehensive Plan attached.

3. More information about the assessments issued to newly created lots through subdivision

To recap how special assessment districts work in the City of Homer:

When a neighborhood wants an improvement, traditionally either water/sewer or roads, though most recently natural gas, they band together and form a special assessment district. Fifty percent or more of lot owners have to agree (by non-objection) to the improvement. In the case of water and sewer, the lot owner pays for 70% of the cost of the improvement and the City 30%. The 70% is divided between the lots that are benefited (either by lot size, road frontage or evenly) and assessed to each property. According to current City code, when a lot subdivides after the SAD, the new lot created generates a separate assessment. The value of that assessment is then divided among all the lot owners, essentially refunding them for the investment. In a small Special Assessment District this is administratively doable. However in a large district, such as the Natural Gas HSAD, this could become administratively untenable. Water sewer assessments in particular can be very costly – one neighborhood the assessments are \$30,000. Combined cost of land and assessment can make a lot prohibitively expensive.

I have attached current City Code on how assessments are levied. There is also a list of the current assessments, when they were created, when they will be paid off, and for some of the special assessment districts the average cost of the assessment per lot.

Exemption Application Information and Due Dates

NOTICE TO KENAI PENINSULA BOROUGH TAXPAYERS

Exemption Programs for Residents

The following exemptions are available to borough residents who own their property and occupy it as their primary residence and permanent place of abode. The applicant must be the owner of record as of January 1st of the year applied.

Homeowner's Exemption: Requires a one-time filing by the owner of record and remains in effect until ownership or occupancy changes. Owners have the responsibility of notifying the Assessor if they begin to rent the property or no longer meet the borough residency or occupancy (at least 185 days) requirement. Exempts up to \$50,000 in assessed value of the property.

Volunteer Firefighter/EMS Exemption: Requires annual filing and is available for current and active Volunteers of a recognized First Responder Service, Registered Fire Department or Ambulance Service. Applicant must hold an EMS or Firefighting certificate approved by the State of Alaska. The Fire or EMS Chief for each department must submit names of eligible volunteers. Exempts up to \$10,000 in assessed value of the property. Maximum of 2 qualified applicants per parcel.

Disabled Resident Tax Credit: Requires annual filing by the owner of record. Applicant must have been determined in writing to be totally disabled within the meaning of the Social Security Act. Written evidence of the disability determination must be submitted each year at time of filing. Maximum of \$500 is credited toward the resulting taxes on the property.

Applications for the Homeowner, Volunteer FF/EMS or Disabled Resident Exemptions must be delivered to the Assessor's Office, or postmarked on or before JANUARY 15, 2015.

Senior Citizen Exemption: Applicant must be 65 years of age or older before January 1 of the filing year (or surviving spouse age 60 or older). Proof of age (i.e., birth certificate) must be provided at the time of initial filing. The applicant must be eligible to receive a Permanent Fund Dividend. Exempts up to \$300,000 in assessed value of the primary residence and residential land use.

Disabled Veteran Exemption: Requires a one-time filing by the owner of record and remains in effect until ownership or occupancy changes. The applicant must have a service-connected disability rated at 50% or more by the Veterans Administration. Verification of disability rating must be submitted annually. Exempts the value of the primary residence and residential use of land.

Applications for the Senior Citizen or Disabled Veteran Exemptions must be delivered to the Assessor's Office, or postmarked on or before MARCH 31, 2015.

Applications are available at Borough Offices in Soldotna, Homer and Seward or at City Halls throughout the borough. Application **Forms** are also available for printing from the borough website

For more information, please call the Assessor's Office (907) 714-2230 – toll free within the borough 1-800-478-4441.

■ CHAPTER 4 LAND USE

Vision Statement: Guide the amount and location of Homer's growth to increase the supply and diversity of housing, protect important environmental resources and community character, reduce sprawl by encouraging infill, make efficient use of infrastructure, support a healthy local economy, and help reduce global impacts including limiting greenhouse gas emissions.

Overview

This chapter presents background information and policies to guide development in Homer. The first goal presents the overall goal of the land use policies. The other goals are more specific to various aspects of land use issues.

Summary of Goals

- GOAL 1:** Guide Homer's growth with a focus on increasing the supply and diversity of housing, protect community character, encouraging infill, and helping minimize global impacts of public facilities including limiting greenhouse gas emissions.
- GOAL 2:** Maintain the quality of Homer's natural environment and scenic beauty.
- GOAL 3:** Encourage high-quality buildings and site development that complement Homer's beautiful natural setting.
- GOAL 4:** Support the development of a variety of well-defined commercial/business districts for a range of commercial purposes.
- GOAL 5:** Maintain high-quality residential neighborhoods; promote housing choice by supporting a variety of dwelling options.
- GOAL 6:** Develop a clear and open public process for future changes to City of Homer boundaries. Explore a planned, phased possible expansion and initiate and establish regional planning processes with the Kenai Peninsula Borough.



Context: Land Use in Homer & Surrounding Areas

Land Use in Homer

Land use in Homer today closely corresponds to the area's unique geographical features, history of homesteading, its road system, access to Kachemak Bay, and the vicinity to water. Two very distinct areas with very different land use characteristics developed in the last century, one on the mainland and the other on the Homer Spit. The portion of the City on the "mainland" has a ring-like land use pattern. It has a relatively concentrated, mixed use core or central business district. Transitional land uses surround the core consisting of institutional and public facilities, commercial uses, residential office, and denser, more urban residential. Farther from the central business district, larger lot/low density rural residential land uses prevail. Variations from this general pattern occur, for instance, along the Sterling Highway where roadside commercial activities are prevalent and in some instances compete with concentrated downtown activities. Additionally, the area surrounding the airport, southeast of downtown, holds most of the town's mixed industrial activities.

The Homer Spit contains its own assortment of industrial, commercial and recreational uses. The Spit's functions and land uses fluctuate with the season; during the summer months commercial activities increase in response to the arrival of summer visitors and tourism. Issues on the Spit are sufficiently distinct and complex as addressed separately in the Spit Comprehensive Plan.

Homer's land use pattern is generally supported by the City's current zoning designations, but an eclectic mix of land uses is still found in various zoning districts. *See the Zoning Map, Appendix D-10.* This mixing of uses is part of the unique character of Homer and not without benefits. The current land use zones largely fulfill their intended functions, but in some cases do not mesh with the realities of existing or desired future use patterns. Growth in Homer will require a new set of standards to guide the form and location of future land use and development. For instance, the land downtown and extending



west along the Sterling Highway is zoned central business district and gateway business district respectively. New policies are needed in the central business district to better allow for higher density and greater mixing of retail shopping, professional services, entertainment facilities and restaurants, and residential uses. The policies controlling development in the recently established gateway business district will likely need ongoing refinement to promote business with an emphasis on the visitor industry and at the same time ensure an attractive and notable entry point to Homer and Kachemak Bay.

Homer's public water and sewer infrastructure plays a large role in shaping land use patterns in the city. *See the Water & Sewer Map, Appendix D-11.* To make the investment in public water and sewer infrastructure efficient and fair, decisions on infrastructure need to be coordinated with land use policy. For example, there are some areas within the rural residential zoning that have gained water and sewer service, providing landowners the opportunity to subdivide their lots and develop at a

higher density than the existing land use classification promotes. This situation calls for a solution and is addressed in this plan.

Homer's pattern of development is also greatly influenced by environmental constraints. Steep slopes, bluff and shoreline erosion, and wetland areas make development of many parcels costly, difficult, or even unfeasible. While such areas may be unfeasible for individual development, they can have great value for the community as a whole. Drainage ways, beach areas, or steep or erodible slopes can form an integrated open space network ("green infrastructure") which supports the areas that may be developed more intensively. Environmental constraints and opportunities have an important role in guiding the character and location of new growth.

Land Use and Growth in Homer and the Surrounding Area

The city of Homer is growing and it is likely to continue to grow. *See Background Chapter 2 and Appendix A.* As stated previously in this plan, future growth will be driven by factors including changes in the overall economy of Alaska, the future of the fishing industry, the pace of growth in the visitor industry and – probably the most difficult to forecast – the growth of Homer as a quality-of-life community for retirees, baby boomers and other "footloose" prospective residents. If Homer remains a "hot" residential destination, then it can grow, in some ways, more or less independently of changes in the conventional economic base.



While increasing visitation has had a great impact on the economic growth of Homer, the most significant change in Homer's real estate landscape has been the recent, rapidly growing demand for middle- to high-end residential development. This has led to substantial increases in land prices and the construction of many new homes, particularly in the area just outside of the city's perimeter, extending out East End Road and on the bench above town. This growth is an important consideration in the development of Homer's Comprehensive Plan. Residents of these developments use many of the same public and commercial services as Homer residents including police, fire, water supply, shops, restaurants, visitor and medical facilities, and public institutions like the library. Planning for services requires consideration of this growing residential demand.

Goals & Objectives for Land Use

GOAL 1: Guide Homer's growth with a focus on increasing the supply and diversity of housing, protect community character, encouraging infill, and helping minimize global impacts of public facilities including limiting greenhouse gas emissions.

Objective A: Continue to accommodate and support commercial, residential and other land uses, consistent with the policies of this plan.

The specific steps to achieve this objective include expanding infrastructure and modifying the City's existing zoning policies to provide expanded opportunities for residential and commercial development. The process will include an update of the current zoning map as well as an enhancement of existing planning tools such as planned unit developments to best meet the demands of specific development projects. Growth will need to be guided to meet Homer's concerns about protecting community character and the quality of the environment.

Implementation Strategies

The Land Use Recommendations Map presented under Objective B below shows the general locations identified to meet Homer's housing needs. These areas include:

1. Downtown area – support increased residential uses, including attached, higher density housing, either as stand alone projects or as part of mixed use development. *See Goal 4, Objective A.*
2. “Inner-city” locations – encourage increased residential uses in mixed use designations including office residential, KBC “college” district, gateway mixed use district and east side commercial districts; also encourage residential as a secondary use in the GC1 district.
3. Transitional residential areas – establish a new R-2 residential district to support moderate density residential development in areas previously designated rural residential. *See Goal 5.*
4. Commercial districts – encourage residential uses, while recognizing the primacy of commercial and/or industrial uses.

Objective B: Promote a pattern of growth characterized by a concentrated mixed use center, and a surrounding ring of moderate-to-high density residential and mixed use areas with lower densities in outlying areas.

Many of the community's most important goals are tied to the amount and location of growth. These goals include providing affordable housing, protecting environmental quality, creating a walkable community, and efficiently providing public services and facilities. The broad strategy behind this objective is to encourage concentrated residential and business growth in the central area of the city, with densities decreasing in outlying areas. The existing pattern of development in the city and current zoning generally follow this pattern. The alternative to this pattern – to allow this same quantity of growth to spread over a much wider area – works against all these goals.

While concentrating land uses brings many benefits, residents clearly want to maintain a sense of open space and privacy that is often associated with lower density development, particularly in residential areas. As a result, this objective of concentrated growth must be accompanied by a set of standards that ensure housing and commercial areas are well designed. The remainder of this section

presents more details on the location of new development; following sections address the character of new development.

The key element of this section is the generalized Land Use Recommendations Map. *See page 4-7 – Comprehensive Plan Land Use Recommendations Map.* This is not a zoning map, but a general map of proposed future land uses in Homer. Before these recommendations have the force of law, a separate, subsequent process must occur to amend the City's current zoning code. The components of the map are as follows (Appendix B gives a more complete description of these categories):

Residential Use Districts

- R1 Urban Residential – With higher housing densities in the city core
- R2 Transitional Residential – Development at a density between rural and urban, in areas where water and sewer service exists today or is likely in the near term future
- R3 Rural Residential – Lower density residential and limited agricultural pursuits

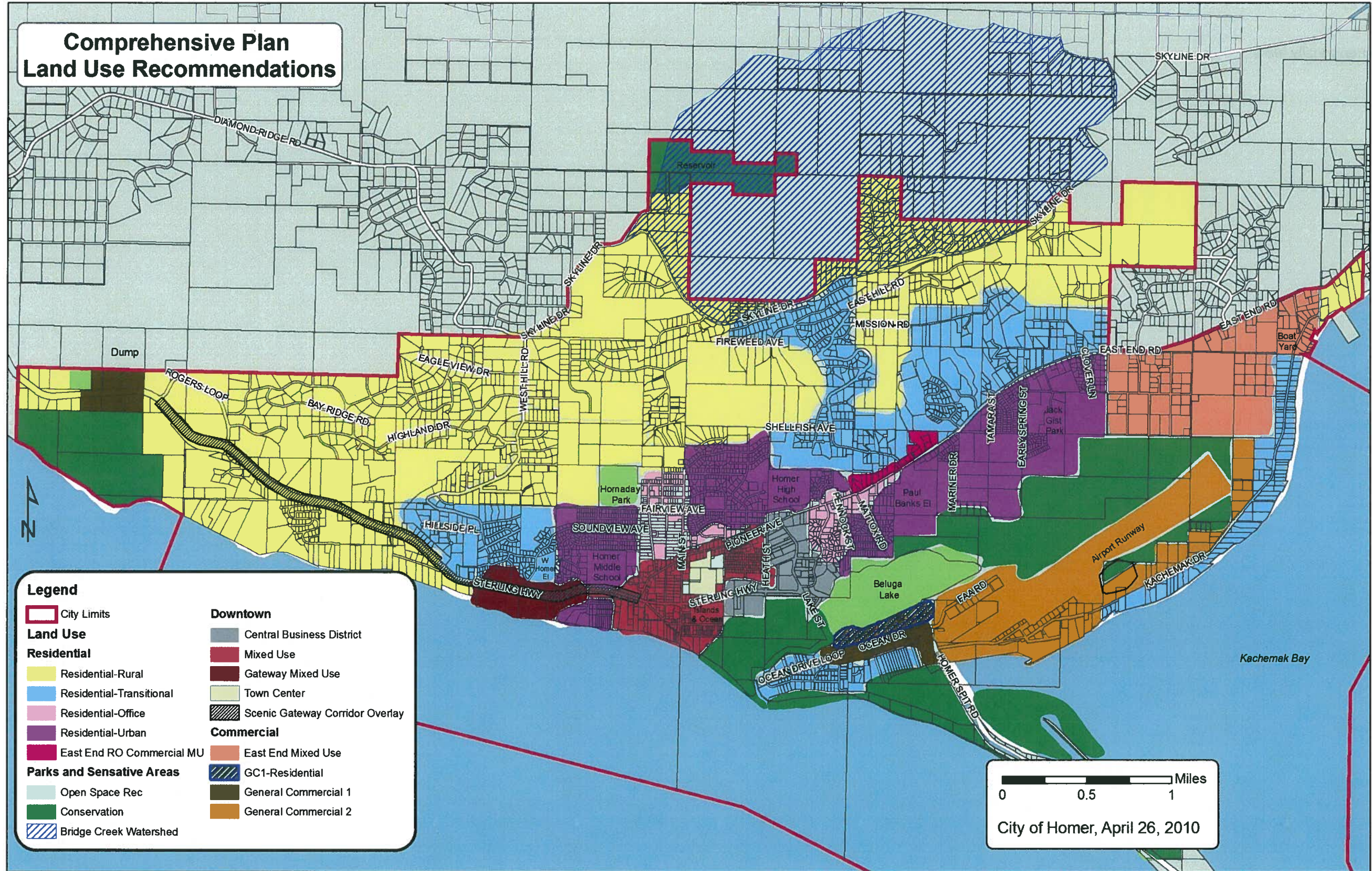
Commercial and Mixed Use Districts

- DT Mixed Use – Concentrated downtown core with a variety of uses and a pedestrian focus
- CBD Central Business District – Adjoining downtown core; mixed use with a mix auto- and pedestrian-oriented development
- GC-1 General Commercial 1 – Other retail and commercial areas with mixed uses, but primarily “drive-to” development
- GC-1/Residential – allow residential uses, encourage water dependant uses along Beluga Lake, and encourage small commercial enterprises on Lakeshore Drive. Maintain the neighborhood character of mixed commercial and residential use, retain mature healthy evergreen trees when practical and plant trees in landscaped areas.
- RO Residential Office – Allow for a range of residential and residential compatible uses. Buildings and sites must have a scale and character similar to single family detached or small multifamily homes.
- G-MU Gateway Mixed Use – Visitor-oriented businesses, developed in a manner that provides an attractive gateway to Homer
- E-MU East End Mixed Use – A wide variety of commercial and industrial uses with access to the marina and airport
- GC-2 General Commercial 2 – Commercial and industrial district
- NC Neighborhood Commercial East End Road – limited numbers of small scale, local serving commercial areas, designed to meet the convenience commercial service needs of neighborhood residents. The objectives behind this recommendations category might also be met through the Planned Unit Development process or an overlay zone allowing more commercial and retail uses than the underlying Residential Office District.

Other Use Districts

- CO Conservation – Environmentally sensitive public and private lands with particularly high value for water quality, fish and wildlife, and other open space uses

- MC Marine Commercial
- MI Marine Industrial
- OSR Open Space–Recreational Lands
- BCWP Bridge Creek Watershed Protection District



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Objective C: Develop clear and well-defined land use regulations and update the zoning map in support of the desired pattern of growth.

The Comprehensive Plan Land Use Recommendations Map establishes the location and intent of proposed land use districts, but does not address the standards needed to guide development.

Implementation Strategies

Changes to existing regulations will be required to implement the goals of this chapter, listed below:

1. Revise the City's existing zoning code, to reflect the general land use designations presented in Objective B and Appendix B.
2. Encourage alternative methods for preserving natural areas by creating improved cluster housing/open space/Planned Unit Development zoning standards and subdivision ordinance.
3. Develop standards and policies such as buffers and transitional densities to ensure high-quality higher density residential and/or mixed use development, particularly where this adjoins existing lower density residential areas. Create regulations that promote mixed use and high quality, attractive medium- to high-density development.
4. Develop standards and policies for new mixed-use districts, including the recently established Gateway Business district. Use "form-based" zoning strategies, encouraging a modest scale of development while allowing for a wide range of uses. Tailor current residential office and central business district zoning to accommodate more mixed use, medium- to high-density housing; for example, by allowing for more shared parking.
5. Develop consistent design standards for new development to complement the character of the land use. Include architectural and site development standards and standards for associated infrastructure (particularly roads and trails).
6. Re-evaluate height standards in commercial and mixed use districts to determine whether buildings over three stories should be permitted. Height standards must meet fire safety and insurance standards.
7. Develop and apply in all districts new standards addressing environmental issues including management of storm water, slope standards, and on-site septic systems.
8. Develop specific plans and development standards to respond to the issues and opportunities that exist on the Homer Spit. Resolving those issues is clearly important but beyond the scope of this current planning effort. In the interim, the policies for the Spit in the 1999 plan will apply. *See Appendix C.*

Objective D: Develop policy that supports infrastructure development that is consistent with the intended land use pattern and provides incentives to encourage development in these areas.

Chapter 6, Public Services and Facilities, presents policies for water, sewer, roads and other infrastructure. That chapter outlines how infrastructure development should respond to the broad goals established in this plan, for quality of life, the environment and economy, and the land use policies of this chapter.

Implementation Strategies

General strategies for infrastructure development include:

1. Plan the expansion of community infrastructure to serve areas identified for growth, in particular to expand water and sewer into urban and transitional residential and mixed use zones.
2. Encourage development of infrastructure in areas targeted for development by establishing incentives for public/private partnerships. Examples include tax deferment, tax credits and infrastructure local improvement districts (LIDs).
3. In general, adhere to Policy 3.1 of the 1989 Comprehensive Plan, which states: “the City shall provide water and sewer utilities to residents within the City before extending services to non-City residents.”

This policy was established to encourage infill development of residential areas. Continued strong support of infill development in all land use districts benefits the city and allows orderly and planned growth with access to services.

Objective E: Consider the regional and global impacts of development in Homer.

Homer is a community that understands and appreciates its place in the context of the larger, global environment. As shown by its robust environmental nonprofit community and the work of the City’s Global Warming Task Force, Homer residents look beyond their boundaries and have expressed the importance of acting locally as a way of addressing global issues.

Below are some general approaches to meeting the goals of reducing Homer’s impact on global warming, based on work by Homer’s Global Warming Task Force.

Implementation Strategies

1. Pursue environmentally sound development practices and measure success for every public facility project in Homer either by locally established benchmarks or by LEED certification.
2. Encourage a concentrated development pattern to reduce the need for vehicle trips and encourage non-motorized transportation. *See more in the Transportation Section.*
3. Support planning and zoning regulations that promote land use strategies that include compact, mixed-use development, higher density development, and infill.
4. Adopt building codes and incentives to increase energy efficiency in all new residential and commercial development.
5. Provide assistance to developers and builders in evaluating plans to increase energy efficiency, encourage LEED project certification and promote non-motorized transportation.
6. Consider adopting LEED standards for neighborhood development and building remodeling, and incorporate in the permit process.

GOAL 2: Maintain the quality of Homer's natural environment and scenic beauty.

Homer's natural setting provides many benefits but also creates significant constraints. The characteristics of the physical setting need to be respected in guiding the location, amount, and density of development.

This plan takes two general approaches to guide development in relation to environmental conditions. One is to "overlay" information regarding environmental constraints and opportunities onto the Land Use Recommendations Map. This means, for example, that some portions of an area identified for development would be limited by the site-specific presence of steep slopes, wetland areas, drainage channels, etc. The second broad strategy is to recommend that appropriate standards be adopted so that where development does occur it is designed to respect environmental functions and characteristics. Examples in this category include site development policies for drainage, vegetation, and grading.

A need exists for the community to take seriously the issue of shoreline stabilization and the implications of allowing ongoing shoreline development. A process should be launched to examine the issue and put proposed solutions before the citizens.

Objective A: Complete and maintain a detailed "green infrastructure" map for the City of Homer and environs that presents an integrated functional system of environmental features on lands in both public and private ownership.

Protecting the environment can be a way to achieve goals like reducing infrastructure costs and providing "environmental services" like drainage ways, parks, and trails. For example, protecting the integrity of a stream channel can help provide cost-effective drainage solutions and also provide a trail corridor. The challenge in carrying out these types of actions is that most land in Homer is already split into many individual private parcels. This objective provides the first step in solving this challenge by creating a complete base of knowledge regarding environmental features on land regardless of ownership. Specific steps to establish a system of green infrastructure can be found in Appendix D.

Implementation Strategies

1. Consider adopting incentives to encourage use of the Green Infrastructure Map developed by the Homer Soil and Water Conservation District.

Green Infrastructure Defined

Green infrastructure is defined as an interconnected network of natural areas and other open spaces that conserves natural ecosystem values and functions, sustains clean air and water, and provides a wide array of benefits to people and wildlife. In contrast to traditional approaches to open space conservation, green infrastructure is integrated with and linked to development. Green infrastructure is a way of conserving natural areas that function as city infrastructure. Definition and other information based on Green Infrastructure: Linking Landscapes & Communities.

Mark A. Benedict, Ph.D., Edward T. McMahon, J.D.
Island Press, 2006

Objective B: Establish development standards and require development practices that protect environmental functions.

Once a project has been identified for development, green infrastructure concepts can be used to consider what special conditions, if any, need to be incorporated into the project's layout and development. Guidelines for development such as setbacks from waterbodies or limits on development of steep slopes are covered through the City's zoning code. Homer's existing codes include many good environmental standards. Some specific strategies for accomplishing this objective through the revision of City code include:

Implementation Strategies

1. Develop standards and guidelines to reduce bluff erosion and shoreline erosion, such as managing surface water runoff on coastal bluffs and implementing any other applicable best management practices.
2. Develop standards for coastal bluff stabilization projects and building setbacks from coastal bluffs.
3. Create standards for setbacks on streams and wetlands.
4. Develop standards for trails (e.g., widths, surfaces, intended use).
5. Create standards for development on steep slopes, in wetland areas, and on other sensitive sites, including standards for grading and drainage, vegetation clearing, building setbacks, and building footprints. Include flexibility in road dimensions to avoid excessive grading.
6. Create an option for a specialized review processes for hillsides and other sensitive settings (e.g., allowance for development on steeper slopes subject to submission of more extensive site analysis and engineering reports).

Appendix D includes examples of how decisions about site clearing, grading, and impervious surfaces can create very different types of development. Homer is encouraged to institute practices that bring about Objective B.

Objective C: Use green infrastructure concepts in the review and approval of development projects.

Maps of important environmental features, processes, and key open space areas are valuable to the extent this information shapes decisions about development. In particular, this information is critical to protect features that cross boundaries of multiple parcels; e.g., streams and trails. This action not only protects open space values, but increases value of open space for developers.¹ Specific policies for using this information to shape development include:

¹ Park City Utah is an example of a community that has developed an extensive public trail system, almost entirely on private land, by following this approach. Developers in the Park City area have come to recognize that trails are an amenity that buyers seek out, that add value to their projects, and that can be provided at relatively little cost. The coordinated actions of many individual developers have resulted in an integrated communitywide trail system.

Implementation Strategies

1. Require developers to include details about environmental features and processes, along with plans for open space, when submitting subdivisions or other developments for approval.
2. Require developers to demonstrate how features that cross multiple parcels will be protected in individual projects. Use this process to create links between open space areas and integrate new development into the network of open space.
3. When a Green Infrastructure Map is adopted, use it in the review process.

Comparative examples of different approaches to preserving green infrastructure in land subdivision and development can be found in appendix D.

Objective D: Provide extra protection for areas with highest environmental value or development constraints.

Ideally, adopting more effective development standards will result in the preservation and protection of lands with high environmental value. However, there may be some areas identified that cannot easily be protected through standard means and are so important they should be preserved forever. References such as wetland, steep slope, and green infrastructure maps can help identify and prioritize these lands. Examples of environmentally important areas might include a particular beach access corridor or a particular section of a lake or stream. There are many creative means by which Homer can do this if determined necessary, such as:

Implementation Strategies

1. Work with land trusts and/or public agencies to acquire land for protection and recreational use. Build on example set by Kachemak Heritage Land Trust.
2. Consider land trades or variations on the transfer of development rights.

Objective E: Collaborate with jurisdictions outside the City of Homer, as well as state and federal agencies, to ensure that environmental quality is maintained.

Homer's environment is affected by actions outside of its borders. Wildlife corridors and drainage systems do not conform to borough and municipal boundaries. In this regard, Homer should work with surrounding jurisdictions, notably the Kenai Peninsula Borough to:

Implementation Strategies

1. Identify environmentally sensitive sites and natural systems of regional importance and work towards collaborative management of these areas. Options include implementing Special Use Districts to develop and pay for needed infrastructure and addressing drainage and trail issues on a regional or watershed approach.
2. Encourage establishment of environmentally responsible development practices by the KPB on land surrounding Homer. Work with the Borough to develop a common approach to subdivision requirements, road standards, and Road Service Area regulations.

GOAL 3: Encourage high quality buildings and site design that complements Homer's beautiful natural setting.

New growth and development in Homer is inevitable. The community has made clear its intent to guide the character of the built environment so this growth improves the quality of the life. The Town Center Development Plan established standards for the development of the city core and sets a good standard for policies that can be followed to achieve higher design quality. An integrated but balanced regulatory and enforcement process is needed for the entire city, to raise the bar for future development standards.

Objective A: Create a clear, coordinated regulatory framework that guides development.

Clear, predictable, consistent rules and regulations are key to achieving standard, quality design. These rules and regulations have to fit the context of the marketplace and be accepted by the development community. Overregulation is a disincentive, while under-regulation will achieve less than desired results. Specific policies addressing this topic include:

Implementation Strategies

1. Synthesize existing rules and regulations for both public and private development in a comprehensive design manual. For instance, it is important that the Master Roads and Streets Plan is supplemented by the Community Design Manual, Transportation Plan, and a Streetscape Design Manual to balance functionality and aesthetics.
2. Provide a clear and predictable approval process for every development including organizing project review and permitting and providing appropriate staff review.

Objective B: Encourage high quality site design and buildings.

Good site design, appealing architecture, and quality construction practices contribute to the creation of high quality buildings. Attractive, well constructed buildings are a long term asset to the community. Design can be thought of in two categories: form, meaning what the building looks like; and function, meaning the construction methods and layout of the building.

Implementation Strategies

1. Adopt building codes and create an inspection program.
2. Set standards that regulate the form of development to encourage attractive, diverse housing styles. Specific design objectives are presented under Goal 5, page 4-17.
3. Develop specific policies regarding site development including standards for landscaping, grading, lighting, view protection, etc., in coordination with current national efforts that promote better site development (LEED certification standards, Sustainable Sites Initiative, Low Impact Development, etc.).
4. Ensure that all utility service to new developments shall be underground.
5. Ensure that any redevelopment which moves overhead utilities requires moving those utilities underground.

6. Coordinate with state agencies, notably the State of Alaska DOT/PF and the Kenai Peninsula Borough, to encourage compliance with Homer's community design standards when developing their projects outside city limits within "greater Homer."

Objective C: Work with the KPB to determine the costs and benefits of shifting some or all platting authority to the City of Homer.

The City of Homer has worked in partnership with the Borough on land use issues in the past and will continue to do so in the future. However, as Homer continues to grow, the community may need to assume some of the responsibilities that currently rest with the Borough. Most important is for Homer to become responsible for reviewing and approving subdivision plats within city boundaries. Local control over platting is critical to achieving many of the goals in this plan, because it allows the community to better integrate land use objectives with a range of other issues, including goals for transportation, economic development, and public services and facilities. Acquiring platting powers will likely require the city to hire additional technical staff.

Implementation Strategies

1. Create a new City subdivision code.
2. Work with KPB to identify ways to strengthen the city's position in the subdivision process, and that are affordable to the city.

GOAL 4: Support development of a variety of well-defined commercial/business districts for a range of commercial purposes.

Objective A: Encourage a concentrated, pedestrian oriented, attractive business/commerce district in the Central Business District (CBD) following the guidelines found in the Town Center Development Plan.

Creating a vital, successful central business district – the clear commercial and civic center of Homer – won't happen by accident. A number of strategies are required to reach this objective, as outlined below. These actions are all designed to carry forward in the spirit of the previously approved Homer Town Center Development Plan and Community Design Manual. Those documents provide additional details that need to be considered to gain a full understanding of CBD objectives.

Implementation Strategies

1. Provide incentives for private investment in the CBD. Incentives can include public investments in improved infrastructure (e.g., roads, trails, parking) and in public facilities (e.g., the recently built library and town square). Particular priorities include improved public parking and construction of a new east-west road through the center of the CBD roughly parallel to the Sterling Highway and Pioneer Avenue.
2. Change the approach to parking in the CBD to allow most parking needs to be met offsite (on-street and shared lots), which in turn allows the clustering of buildings required for a pedestrian friendly environment. Develop on-street and public parking areas to meet parking needs. *See Transportation Chapter.*
3. Revise land use policies to encourage and permit the types of uses, sites and buildings needed for a successful town center. Changes include establishing maximum building

setbacks (“build to” lines), increased maximum building heights, standards for the relationship of buildings to the street, and rules encouraging mixed use, including office or residential uses such as apartments above retail.

4. Create an overlay zone for the “Old Town” section of the CBD, establishing general standards for building design and construction. Aim for future buildings to continue in the style of the older buildings in the area as well as the several more recently constructed buildings that follow these traditions.



5. Use public/private partnerships, Business Improvement Districts, or Tax Increment Financing to improve streetscapes, including better sidewalks, landscaping, and building facades. Develop an attractive, business friendly commercial streetscape for Pioneer Avenue and ensure the Town Square/City Hall project is designed to benefit Pioneer Avenue and Old Town businesses.
6. Locate high quality mixed-use, high density and affordable housing in the central business district to diversify housing stock and create demand for downtown services.
7. Improve trail connections to and within the CBD. Provide a system of trails and sidewalks linking residential areas, commercial and civic uses, attractions such as the Pratt Museum and the Islands and Ocean Visitors Center, and the new town square.
8. Concentrate commercial uses in the downtown. *See following section.*
9. See also Appendix E for a summary of principles for success in small downtowns.

Objective B: Discourage strip development along the Sterling Highway and major collectors/thoroughfares

Strip development occurs along busy major roads with easy access to businesses. Strip development is an unplanned consequence of building transportation infrastructure, and it tends to include practically any land use in an eclectic – often cluttered and unsightly – array of buildings, parking lots, utilities, and support structures.

Strip development along highways introduces competition for the central business district and weakens its role. Strip development can create unattractive community entries (e.g., the Glenn Highway coming into downtown Anchorage) and unsafe edges along thoroughfares. Communities with no restraints on the location of commercial use often find their downtowns wither, as businesses shift to outlying, lower cost properties. On the other hand, communities need to allow for a measure of outlying commercial growth, to be fair to property owners, to meet the need for the types of commercial uses that don’t fit well into a central commercial core, and to respond to ongoing demand for expansion of commercial activity. Two primary strategies can help avoid and lessen the potential adverse impacts of unwanted strip development:



Implementation Strategies

1. Use the zoning process to guide the majority of future commercial development into the central business district. Locate development as presented on the Land Use Recommendations Map. Implementation will require an ongoing balancing act.
2. Use strategies to ensure the character of development in strip commercial development makes a positive contribution to the overall character of the community. These include: controls on the size and appearance of signs, requirements for landscaping of parking areas, and basic guidelines regarding building appearance.

Objective C: Encourage complementary commercial activity between the CBD and Homer Spit that benefits both in the appropriate locations and builds upon their geographic strengths.

Implementation Strategies

1. Continue to allow for and encourage water and recreation related marine commercial and marine industrial uses on the Homer Spit while locating land based general commercial and business uses in the CBD.
2. Address the needs of seasonal, tourism related commercial/retail activity on the Spit in the context of the continued focus on marine commercial and marine industrial uses.
3. Provide a strong seasonal transportation access link between the CBD and the Spit to support tourism and recreation businesses at both locations. One option would be to develop multipurpose public parking areas in the CBD, and offer shuttle service to the Spit. Charging for Spit parking would create an incentive to use this service.
4. Develop a detailed master plan for the Spit that builds from the recommendations of the 1999 Comprehensive Plan Update and any subsequent updates, addressing parking, residential and other uses. *See Appendix C.*

Objective D: Introduce new commercial districts to better encourage and accommodate commercial land uses in appropriate locations, and allow new types of commercial activities to take place.

Implementation Strategies

1. Anticipate the growth in white-collar business activities and clean industries by designating live-work districts; provide the development standards needed to maintain the quality of these areas. *See Goal 1 of this chapter.*
2. Target high tech industries or professional/web-based activities in these new commercial zones by public provision of access to wireless communication. *See Economic Development Chapter.*
3. Establish a new land use designations to allow for a handful of well-defined neighborhood commercial areas, to reduce the need for longer drives to primary commercial areas, to serve kids and others who don't drive, and to provide neighborhood meeting places.
4. Recognize the capacity of KBC to support expansion of new economic sectors, anticipate and allow for the growth of the university, and encourage student housing. *See Economic Development Chapter. See Appendix B for the full set of proposed land use designation categories.*

GOAL 5: Maintain high quality residential neighborhoods; promote housing choice by supporting a variety of dwelling options.

Diverse, high-quality residential neighborhoods are crucial to the stability and economic health of Homer. Growth puts pressure on housing prices as land prices increase. Neighborhoods established decades ago with large lots face pressure as some landowners create subdivisions with smaller lots, while others would like to preserve the established neighborhood character. Housing choice is crucial to accommodate future growth as the dominant single family large lot developments clearly won't be able to meet future demand in quantity or price. The five objectives below set out a program to address these housing issues.

Objective A: Diversify housing stock to meet demand by people earning a broad range of incomes.

The demand for housing in Homer is steadily growing, and housing prices are increasingly driven by the buying power of people who earned their money outside of Homer. The result is a growing gap between what housing costs and what many Homer residents can afford. This problem is particularly acute for younger buyers and for people in service industries such as tourism.

Implementation Strategies

1. Allow for housing in more zones, allow for greater housing density, and support infrastructure expansion so more land is readily developable for housing.
2. Improve zoning standards to ensure that new moderate and higher density development is attractive and a good fit with Homer's character.
3. Review the existing Planned Unit Development ordinance which provides the chance to offer somewhat higher density housing in exchange for providing trails, protecting natural areas and environmental functions.
4. Promote private development of KBC student housing.

See additional discussion under Objectives C, D and E below.

Objective B: Maintain the availability of lands designated for rural residential use; improve the zoning code for this category to withstand pressure for platting large lots into smaller ones in that district.

The rural residential classification applies to the majority of Homer's residential area. The community expressed a clear desire to maintain large rural residential areas in Homer into the future. In order to avoid unplanned and unwanted changes in rural neighborhoods, the zoning code will have to address standards for new development consistent with this goal. Specific issues to revisit include character of development (setbacks, building heights); removal of vegetation, and minimum lot sizes.

Implementation Strategies

1. Evaluate and modify the extent of the rural residential district classification to protect this land use on par with expected demand.
2. Allow for continued infill in these areas, consistent with the general goal of retaining the predominately rural character.

Objective C: Promote infill development in all housing districts, redefine current zoning laws in existing districts to promote a range of residential uses, identify new residential zoning districts, and provide for appropriate supporting infrastructure.

This plan promotes infill, particularly in a new residential transitional district established by this plan. The desire to provide diversity in housing options requires revision of zoning standards. In addition, it is in the public's interest to maximize the use of existing infrastructure by serving as many customers as possible. It is also important that infill development in areas already served by water, sewer and other infrastructure compliments existing neighborhoods. This can be accomplished, for example, by building in a comparable scale and character.

Implementation Strategies

1. Maintain integrity of older, well-established neighborhoods by establishing design standards that maintain neighborhood character. For example, require new infill uses to match the scale (height and bulk), lot coverage, building orientation to the street, and architectural character of existing structures in the neighborhood.
2. Create standards to address impacts of development on established neighborhoods, including provisions to help maintain visual quality. (Examples include height requirements, setbacks from existing structures, etc.).
3. Create development standards and zoning districts that allow and encourage a range of attached and detached accessory dwelling units.
4. Promote denser housing, through changes in zoning, and efficient expansion of infrastructure such as roads and water/sewer service.
5. Identify areas where water and sewer will not be extended because of desire to maintain larger lot sizes and/or where rural lot size minimums will be established.
6. Consider impact fees or other methods to support public services required by new development in an equitable manner.

Objective D: Encourage inclusion of affordable housing in larger developments and affordable housing in general.

Homer is likely to continue to experience strong demand for affordable housing. Meeting this demand will require a range of actions.

Implementation Strategies

1. Retain and improve the quality of existing affordable housing in the community.
2. Explore partnerships with nonprofit organizations to support affordable housing projects, including new construction or rehabilitation programs for low- and moderate-income households. Take advantage of existing possible incentives such as AHFC loans and grants.
3. Encourage developers and provide incentives to include affordable housing as a percentage of new development (as is done, for example, in a number of Lower 48 resort communities, where 5-10 percent of new housing must be affordable).

4. Allow attached and detached accessory housing units on single family lots (“granny units”) as a permitted use outright. Set standards that define the size of such units as a function of the size of the primary unit, with a not-to-exceed maximum square footage.
5. Distribute affordable housing throughout the community. Integrate it into market-rate neighborhoods by encouraging a mixture of larger and smaller lots.
6. Link affordable housing to the mixed-used development proposed in the Town Center Development Plan.
7. Establish a public entity to address affordable housing issues, or affiliate with an existing entity.
8. Promote development of KBC student housing.

GOAL 6: Develop a clear and open public process for future changes to City of Homer boundaries. Explore a planned, phased possible expansion; and initiate and establish regional planning processes with the Kenai Peninsula Borough.

Existing land use and future growth around the periphery of Homer has significant impacts on the quality of life, the environment, and the economy of those who live and work within city limits. As a consequence, the City needs to be open to the possibility of annexing lands beyond city boundaries. Some of the specific benefits for those in the annexed areas include:

- Access to water for domestic use
- Improved fire protection services
- Improved street maintenance and snow removal services
- Improved law enforcement services provided by the City police department (as continued growth in outlying areas requires more services than the Alaska State Troopers can provide)
- Local control over planning and zoning (when done in a manner that reflects local values, city planning and zoning authority can help avoid the intrusion of incompatible uses into neighborhoods and help maintain and increase property values)
- Right to vote for elected representatives in Homer, and serve on City Boards and Commissions (currently sales tax provides the majority of the city’s revenue. People outside city boundaries pay sales tax but don’t vote for the people who make the decisions about how sales tax money is spent)

Objective A: Develop a clear and orderly process to assess the need and apply for the expansion of the boundaries of the City of Homer, which is likely to be necessary over the coming decades as surrounding areas grow and develop.

For the long-term benefit of both the city and surrounding areas, Homer will adopt a proactive planning strategy in the greater Homer area. Overall intentions regarding possible boundary changes are outlined below:

Implementation Strategies

1. Regularly assess the need for phased annexations to guide growth and provide for effective delivery of municipal services which benefit landowners, residents, and businesses.
2. Identify specific criteria for prioritizing prospective annexation areas. Focus near term attention where the uses have the greatest impact on City of Homer interests, including

the area of the Bridge Creek water reservoir and associated watershed, areas where City water is delivered to residents outside city limits, areas directly adjacent to Homer city boundaries, and areas where recreational and open space resources (trails, greenbelts, water and drainage ways) are already in existence or may be easily developed.

3. Establish a clear and open public process for proposing annexations, including obtaining input from interested persons regarding land use and City services.
4. Work actively with the KPB to develop shared plans for current uses and future growth in the areas outside current city boundaries; including services, land use, and development standards.
5. In addition to considering the impacts of proposed annexation on residents and land owners, evaluate the costs and benefits of specific possible annexations to the City of Homer; looking, for example, at the relative balance of expected revenues versus costs to provide needed services.

Objective B: Develop a fair, planned process for involving affected members of the public when considering annexation.

Past annexation procedures in Homer have been painful, slow, and costly. Some of this cannot be avoided: annexation is a complex issue and not everyone will be satisfied with the outcomes. Nonetheless, there is room for improvement in the procedures associated with annexation. Specific policies include:

Implementation Strategies

1. In the near term, carry out an initial “annexation issues scoping process” for areas outside the city. Get early input from landowners, residents, and businesses in possible annexation areas regarding annexation issues. This will help Homer in planning for future growth, and enable landowners and businesses outside Homer to be part of the process and to understand how annexation may affect them.
2. Prior to proceeding with any annexation petition, the City, working with the Borough, will undertake a planning study of the specific area proposed for annexation. This will include providing public notice and public meetings to help define recommended future land uses and to indicate how and when municipal services (including public safety, utilities, streets and trails) will be extended to the area, together with estimated associated costs. The recommendations of the study will be incorporated into any annexation proposal submitted to the Alaska Local Boundary Commission.
3. Extra effort will be made to give the public a meaningful role in the consideration of annexation costs and benefits.
4. Explore options for different levels of services where clear distinctions can be made in the level of service required. For example, the level of fire protection service may vary greatly as a function of road infrastructure, vegetation, and response time. In outlying areas for example, the focus may be prevention of loss of human life and containment versus protection of life and property in locations closer to town.
5. It is not possible or appropriate for the City of Homer to prepare land use policy for potential annexation areas. At the same time, the City needs to convey general intentions for the future use of annexed lands. These intentions are established through the general

policies of this Comprehensive Plan and other policies for land inside City limits, but also give a helpful sense of what policies might apply in future annexation areas. Examples of general policies that apply citywide and would likely be extended to annexed areas include creating and maintaining quality residential neighborhoods, using setbacks and buffers to ensure compatibility between different types of uses, providing open space and trails, and ensuring roads are built to City standards. The annexation planning studies called for above will build from the general framework in the Comprehensive Plan and take into account the opportunities and constraints of specific locations, as well as the perspectives of affected property owners and residents.

Objective C: Develop land use and infrastructure policies to address issues such as access and water use for areas that may be annexed in the future.

Regardless of any future annexations, which may be decades away, the City needs to address several specific land use and infrastructure issues that cross city boundaries into greater Homer. Specific issues and recommended policies are presented below:

Implementation Strategies

1. Working through a cooperative planning process with the Borough, establish mechanisms to deal with issues outside City of Homer boundaries with greatest impact on the city. Examples include agreement to use common road standards and for cooperative work on trail and open space issues.
2. Re-examine the City's current policy for the provision of water from the public water system to users outside city limits and determine the impact of this practice. Currently approximately 40% of properties within Homer city limits do not enjoy the benefit of piped water delivery. The ability to receive water from city sources outside city boundaries has a major impact on the prospects for development in outlying areas where options for wells are limited. Water delivery in outlying areas contributes to the outward spread of residential uses, which in turn increases driving, energy use and contributes to greenhouse gas emissions. Determine if areas receiving water should be high priority areas for annexation. Investigate options for "reciprocity" by either developing plans for annexation or by establishing KPB-enforced land use practices that align with similar practices in the City of Homer. *See also Goal 1, Objective C in Chapter 6 for more on water use.*

Land Use Implementation Table

Project	Timeframe			Primary Responsibility
	Near Term	Mid Term	Longer Term	
Improved Zoning				
▪ Develop new zoning code to implement new categories.			x	City
▪ Work with the Comprehensive Plan Land Use Recommendation Map on an area by area basis to determine the feasibility and acceptability of rezoning.			x	City
▪ Flesh out specific development standards and guidelines for commercial zones; create a Town Center overlay zone to better differentiate downtown, auto-oriented neighborhoods.	x			City along w/ downtown merchants and landowners
▪ Define the boundaries for and then develop an overlay zone for Old Town so buildings in that portion of the district feature an “old Homer” historical character.	x			City along w/ Old Town merchants and residents
▪ Flesh out specific development standards and guidelines for R-2 residential zone, to create a transitional zone between urban and rural.	x			City
Improved Standards and Regulations				
▪ Create a new City subdivision code.	x			City
▪ Evaluate and consider shifting platting authority from Borough to City of Homer.			x	City and Kenai Peninsula Borough
▪ Develop new parking standards for CBD to support higher density, more walkable commercial areas.	x			City
▪ Establish development standards for development in environmentally sensitive areas (wetlands, steep slopes), including upgrade of drainage policies, road policies, stream setbacks.	x			City
▪ Establish development standards for higher density residential development, landscaping, lighting, grading, viewshed protection.		x		City
▪ Establish development standards for Cluster Housing/Open Space Ordinance.	x			City
▪ Establish standards for Student Housing Development.		x		City and Kenai Peninsula College
▪ Amend non-conforming use ordinance.	x			City
▪ Review and consider revising existing Planned Unit Development code.		x		City
▪ Support LEED or other building efficiency programs.		x		City
▪ Adopt building codes.		x		City
▪ Establish a maximum building setback for Town Center.	x			City

Project	Timeframe			Primary Responsibility
	Near Term	Mid Term	Longer Term	
Green Infrastructure				
▪ Evaluate incentives to promote development that uses the green infrastructure ideas presented in Appendix D.	x			City
▪ Develop new standards to address issues related to shore stabilization and ocean front development.		x		City
▪ Pursue sustainable development measures that promote energy efficiency, use of recycled materials, and low impact landscaping in city buildings.	x			City
Pattern of Development				
▪ Work with Borough to prepare mutually acceptable development standards.		x		City, with Kenai Peninsula Borough
▪ Establish a clear policy regarding delivery of City water outside of city limits.	x			City, with Kenai Peninsula Borough
▪ Establish more specific criteria, process, schedule and objectives for possible future annexations.		x		City
▪ Amend city code to recognize the transfer of development rights to preserve environmentally sensitive or recreational areas.	x			City
▪ Develop a Homer Spit Master Plan.	x			City, Port & Harbor Dept

17.04.100 Subdivision after levy of assessments.



a. Except as provided in subsection (b) of this section, upon the subdivision of a property assessed as a single parcel, the amount of the assessment shall be allocated among the resulting lots that benefit from the improvement on the same basis that the assessment originally was allocated.

b. Upon the subdivision of a property assessed as a single parcel in an assessment district where assessments were levied in an equal amount per parcel (i.e., without regard to parcel area, dimension or other characteristic), then no resulting parcel, other than the parcel that contains the original connection to the improvement for which the assessment was levied, may connect to the improvement until a subdivided property connection fee is paid for the parcel.

1. The amount of the connection fee shall be equal to the amount of the original assessment, adjusted up or down by a percentage equal to the change in the Consumer Price Index, All Urban Consumers (CPI-U) for Anchorage, Alaska, from the end of the calendar year preceding the original assessment date to the end of the calendar year preceding the date the parcel is connected to the improvement.

2. If the original assessment was payable in installments the City may enter into a written agreement for the payment of the connection fee in installments on terms that are substantially the same as those authorized for the payment of the original assessment, secured by a deed of trust on the parcel.

3. Upon receiving connection fee payments, the City shall allocate such payments to each property assessed in the district in proportion to the amount originally assessed against the property, either by adjusting the original assessment amount or disbursing a payment to the record owner at the time of disbursement. [Ord. [12-15](#) § 1, 2012].

City of Homer

Current Assessments

By Annual Date (January to December)

District Number	District Name	Due Date	Interest Rate	GL#	Original Amount
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02/1/14 (20 years) *send notice 1/1*** Payoff Year 2034**

104	Kachemak Dr II Sewer	Feb 1	1.5	205 0000 1301	\$2,046,498.00
105	Kachemak Dr II Water	Feb 1	1.5	205 0000 1302	\$1,913,834.00

4/1/09 (10 Years) *send notice 3/1*** Payoff Year 2018**

110	Spruceview Ave Recon	Apr 1	1.5	155 0000 1292	\$193,716.79
100	W Noview Ave Recon	Apr 1	1.5	155 0000 1291	\$122,988.66

05/1/14 (10 years) *send notice 4/1*** Payoff Year 2024**

145	Webber Road Construction	May 1	3.0	155 0000 1303	\$61,601.16
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05/1/14 (10 years) *send notice 4/1*** Payoff Year 2024**

131	Crittendon Road Constr	May 1	3.0	155 0000 1304	\$61,230.66
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6/1/04 (20 years) *send notice 5/1*** Payoff Year 2024**

88	Mariner Village/Thorn Sub	June 1	2.5	205 0000 1238	\$ 76,499.94
89	Mariner Village/Thorn Sub	June 1	2.5	205 0000 1239	\$132,136.26

8/1/08 (10 years) *send notice 7/1*** Payoff Year 2017**

124	South Douglas Recon	Aug 1	1.5	155 0000 1288	\$ 17,628.76
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9/1/03 (20 years) * send notice 8/1*** Payoff Year 2023**

82	W Lakeshore Dr Water	Sep 1	2.5	205 0000 1230	\$124,878.34
83	W Lakeshore Dr Sewer	Sep 1	2.5	205 0000 1231	\$124,878.34

9/1/07 (20 years) *send notice 8/1*** Payoff Year 2027**

98	Ocean Dr Loop Bluff Erosion	Sep 1	6.5	155 0000 1900	\$287,373.84
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9/1/07 (20 years) *send notice 8/1*** Payoff Year 2027**

71	Ocean Dr Loop Sewer	Sep 1	2.5	205 0000 1295	\$691,509.00
123	Ocean Dr Loop Petersen Sew	Sep 1	2.5	205 0000 1296	\$144,514.47

10/1/06 (20 years) *send notice 9/1*** Payoff Year 2026**

66	East End Portion Sewer	Oct 1	2.5	205 0000 1240	\$ 62,293.92
67	Hillside Acres Water	Oct 1	2.5	205 0000 1241	\$612,610.40
68	Hillside Acres Sewer	Oct 1	2.5	205 0000 1242	\$441,997.95
81	Thompson Dr Sewer	Oct 1	2.5	205 0000 1243	\$ 68,207.85
108	East End Water	Oct 1	2.5	205 0000 1288	\$190,805.22

109	East End Sewer	Oct 1	2.5	205 0000 1289	\$200,861.04
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10/15/03 (20 years) *send notice 9/15*** Payoff Year 2023**

84	Forest Glen Water	Oct 15	2.5	205 0000 1234	\$305,688.75
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85	Forest Glen Sewer	Oct 15	2.5	205 0000 1235	\$305,688.75
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11/1/08 (20 years) *send notice 10/1/08*** Payoff Year 2028**

101	Kachemak Dr I Sewer	Nov 1	1.5	205 0000 1298	\$606,120.00
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103	Kachemak Dr I Water	Nov 1	1.5	205 0000 1297	\$259,935.00
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11/15/03 (20 years) *send notice 10/15*** Payoff Year 2023**

86	Harrington Heights Water	Nov 15	2.5	205 0000 1232	\$180,413.88
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87	Harrington Heights Sewer	Nov 15	2.5	205 0000 1233	\$180,413.88
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Current Assessments.doc



City of Homer

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MANAGER'S REPORT

March 9, 2015

To: The Mayor and Council

From: Marvin L Yoder

Date: March 4, 2015

Enstar Refund

The Finance Department received a second FMA check from Enstar in the amount of \$493,000. This covers all of 2013 connections as well as the remaining connections from the first quarter of 2014.

Recreation Service Area

There was a meeting held on February 26 to discuss a Recreation Service Area which would include the City and some areas around the City. Two KPB employees (mayor staff and attorney) attended the meeting to discuss the variables of how a service areas works.

To establish a service area would require an election by all the people who would be in the district. An exception is that the City Council could decide to be a part of the larger service area without a vote inside the City.

Questions were asked regarding administration. For instance, the Hockey Rink needs some capital funding, but the volunteer non-profit organization in charge of the operation could remain.

In answer to a question, the Borough staff said they were not interested in Parks being a part of the Recreation service area.

Borough Staff indicated that if the service area included Homer, Kachemak, Diamond Ridge and Fritz Creek, ½ mil would generate over \$350,000. Of course, all these areas would need to have recreation opportunities if they were contributing to the funding.

Gas Line Loan

The City Council approved securing a loan from the Borough in the amount of \$12,700,000. The actual construction cost to date is \$12,359,388. There may be a few

other charges, however the City will be repaying the difference between the actual expenditures and the original loan amount.

Waddell Way

The City is preparing a plat to vacate the Easement on Parcel E and plat a 60 ROW on parcel 2. Once the plat is complete it will sent to the City Planning Commission and then to the Borough Planning Commission for approval.

Letter of Support

The Kachemak Bay Family Planning Clinic is requesting a letter of support from the City for their application for a three-year grant from the State of Alaska Department of Health and Social Services (DHSS/Department), Division of Public Health (DPH/Division). The grant is titled Teen and Unintended Pregnancy Prevention. Katie will be writing a letter on their behalf.

FYI

- Invitation from the Coast Guard for Bryan Hawkins to be a part of the Technical Risk Assessment Group that will review the potential LNG marine traffic in Cook Inlet.
- Alaska Association of Police Chiefs position Paper on Marijuana.
- Alaska Association of Police Chiefs response to the proposed budget cuts to the Community Jails Program.
- Award to Kachemak Bay Water Trail Project
- Homer Foundation Quarterly Report
- Memorandum 15-028 from Public Works re: Road projects
- Kachemak Bay Family Planning Clinic request for letter of support
- AAHPA SCHOLARSHIP (Ports & Harbors) applications